



HOUSE COMMITTEE ON APPROPRIATIONS

FY 09-10

Executive Budget Review

Department of Agriculture and
Forestry



The Department of Agriculture and Forestry
includes the following programs:

Management and Finance
Marketing
Agricultural and Environmental Sciences
Animal Health Services
Agro-Consumer Services
Forestry
Soil and Water Conservation
Auxiliary



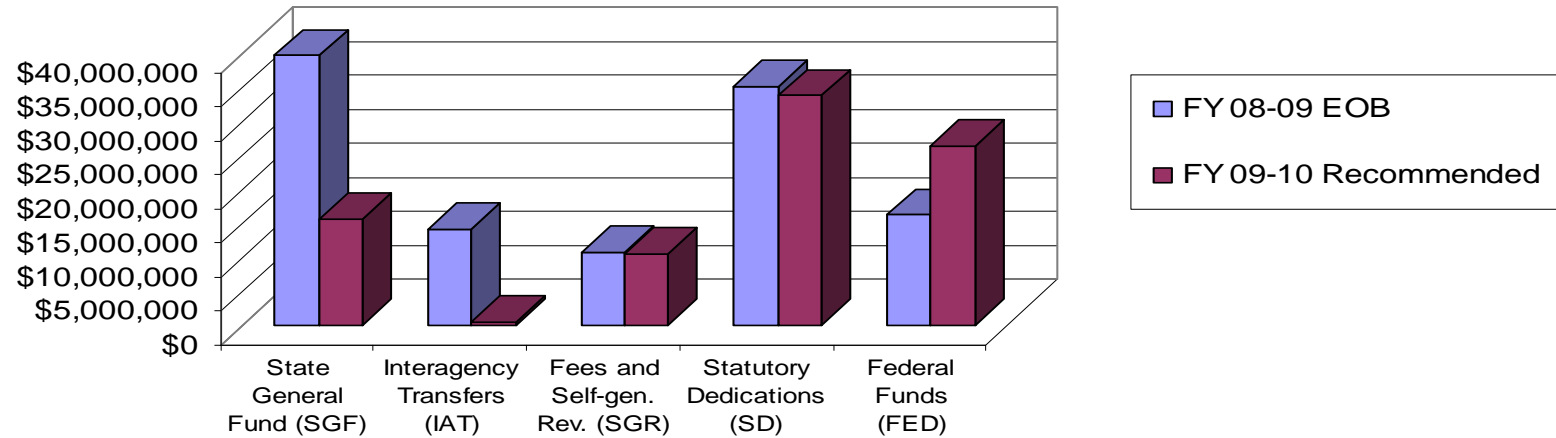
Executive Budget by Means of Finance

DEPARTMENT OF AGRICULTURE					
Means of Financing (MOF)	Actual Expenditures FY 2007-08	Existing Operating Budget FY 2008-09 (2/1/09)	Executive Budget FY 2009-10	Change From FY 08-09 to FY 09-10	Percent Change From FY 08-09 to FY 09-10
State General Fund (SGF)	\$45,572,606	\$39,605,171	\$15,553,228	(\$24,051,943)	-60.73%
Interagency Transfers (IAT)	\$378,386	\$14,066,542	\$563,481	(\$13,503,061)	-95.99%
Fees and Self-gen. Rev. (SGR)	\$8,082,454	\$10,709,860	\$10,419,016	(\$290,844)	-2.72%
Statutory Dedications (SD)	\$34,409,190	\$35,163,774	\$33,739,462	(\$1,424,312)	-4.05%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$17,860,245	\$16,235,786	\$26,261,250	\$10,025,464	100.00%
TOTAL MOF	\$106,302,881	\$115,781,133	\$86,536,437	(\$29,244,696)	-25.26%
Authorized Positions	829	785	710	-75	-9.55%

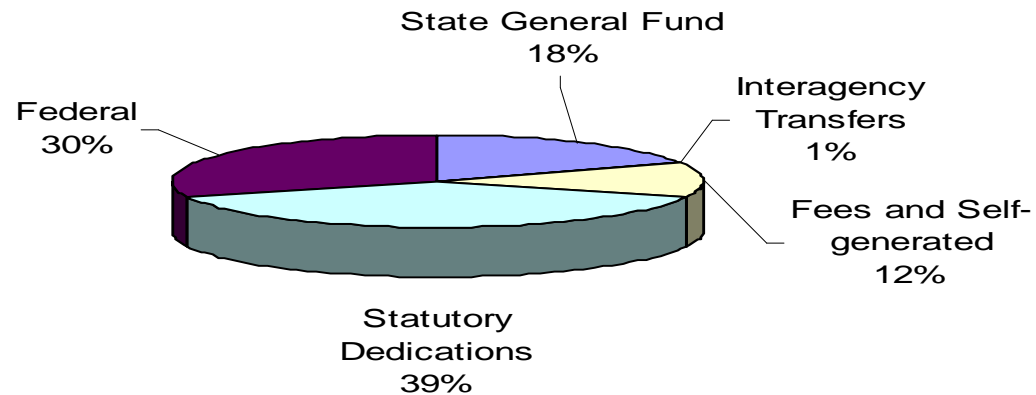
Major Sources of Revenue Include: statutory dedications (fees for applications, permits, and inspections; registration fees; license fees; assessments on agricultural commodities) and federal funds (grants for various forestry and soil and water resources programs).



FY 08-09 EOB (2/1/09) vs FY09-10 Executive Budget



Department of Agriculture FY 09-10 Executive Budget by Means of Finance



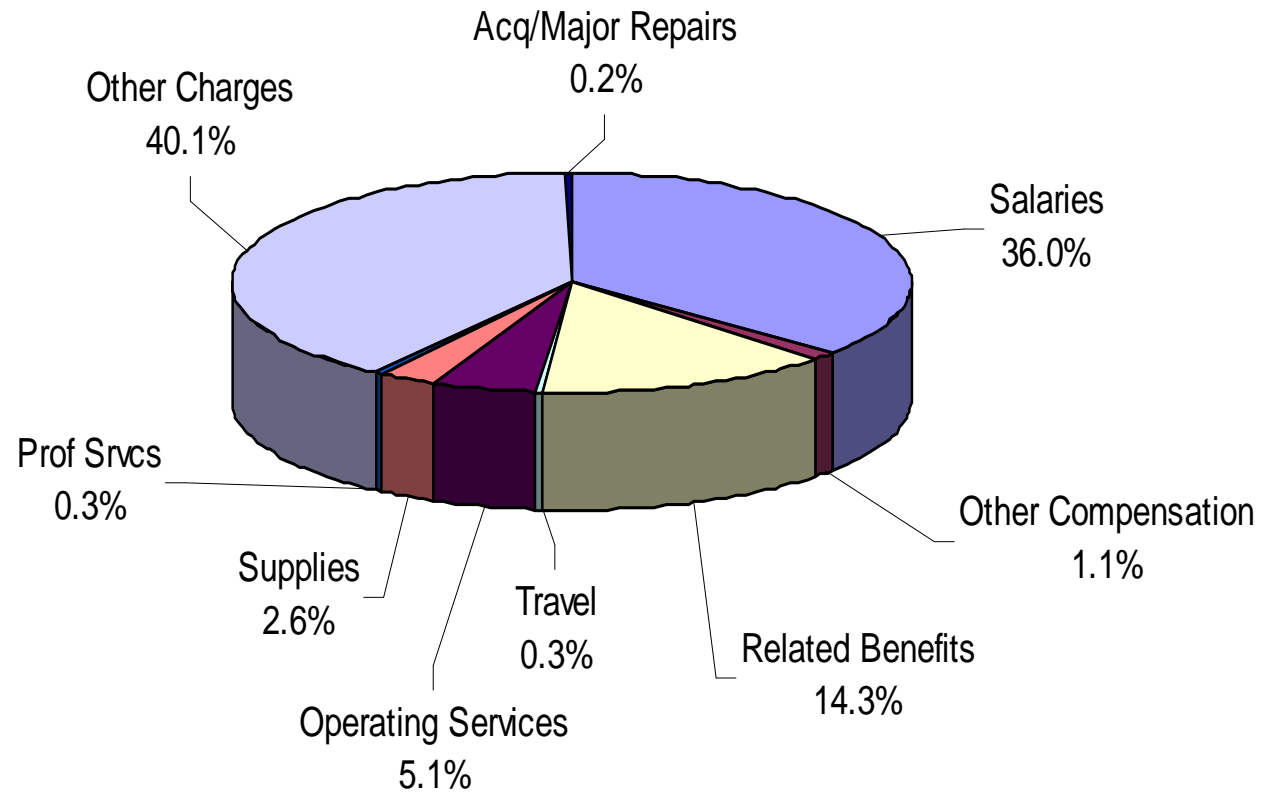


FY 09-10 Executive Budget by Expenditure

Department of Agriculture					
Expenditures	FY 07-08 Actual	FY 08-09 Existing Operating Budget	FY 09-10 Executive Budget	Change from FY 08-09 to FY 09-10	Percent Change
Salaries	\$ 34,634,143	\$ 35,644,029	\$ 31,134,460	\$ (4,509,569)	-12.7%
Other Compensation	\$ 1,507,041	\$ 968,031	\$ 968,031	\$ -	0.0%
Related Benefits	\$ 14,567,268	\$ 14,029,315	\$ 12,334,590	\$ (1,694,725)	-12.1%
Travel	\$ 274,955	\$ 249,478	\$ 249,478	\$ -	0.0%
Operating Services	\$ 3,467,646	\$ 4,984,068	\$ 4,438,048	\$ (546,020)	-11.0%
Supplies	\$ 3,947,096	\$ 14,796,385	\$ 2,253,378	\$ (12,543,007)	-84.8%
Prof Svcs	\$ 427,801	\$ 247,492	\$ 247,492	\$ -	0.0%
Other Charges	\$ 45,702,174	\$ 43,465,898	\$ 34,714,671	\$ (8,751,227)	-20.1%
Acq/Major Repairs	\$ 1,774,757	\$ 1,396,436	\$ 196,289	\$ (1,200,147)	-85.9%
TOTAL EXP	\$ 106,302,881	\$ 115,781,132	\$ 86,536,437	\$ (29,244,695)	-25.3%



FY 09-10 Executive Budget by Expenditure





Significant Budget Changes

- | | |
|-----------------|--|
| \$3 million SGF | Provides funding for the Boll Weevil Eradication program. |
| \$1.8 million | Provides funding for classified employee merit increases, annualized merit increases for classified state employees and salary base adjustment (\$1.2 million SGF; \$1 million SGR; (\$414,907 SD)). |



Significant Budget Changes

- (\$17.3 million) Non recurring other adjustments. This consists of non recurred items such as grants, legislative amendments, and excess revenues.
- (\$8 million) Decreases funding and 75 positions throughout the Department of Agriculture (\$5.7 million SGF; 184,000 SGR; 2.1 million FED).
- (\$7.3 million) Non recurring carry forwards (\$5.4 million SGF; \$1.9 million FED).
- (\$1.2 million) Non recurs funding for acquisitions and major repairs (\$858,764 SGF; 392,597 SD).
- (\$515,671) Decrease funding due to the attrition adjustment (\$464,182 SGF; \$51,489 SG).



Means of Finance Substitution

- Reduced General Fund totaling \$16 million and increased Federal Funds. This is due to the anticipated receipt of \$13 million in State Fiscal Stabilization Flex Grant funds and \$3.1 million in wildfire suppression funds from the America Recovery and Reinvestment Act of 2009. However, the department has not yet received any notice from the U. S. Forest Service as to the allocation it may anticipate for wildfire suppression.



Discretionary vs Non-Discretionary Funding FY09-10

Discretionary	\$70,203,598	81.13%
Non-Discretionary	\$16,332,839	18.87%
Total	\$86,536,437	100.00%

- **The non discretionary funding includes the salary for the Commissioner of Agriculture, retiree insurance and debt service payments.**



Major Statutory Dedications

The chart below lists significant statutory dedicated funds appropriated to the Department of Agriculture:

	FY 07-08	FY 08-09	FY 09-10
Boll Weevil Eradication Fund	\$4,944,032	\$1,785,377	\$1,785,377
Louisiana Agricultural Finance Authority	\$12,000,000	\$12,000,000	\$12,000,000



Department of Agriculture

Statutory Dedications

Boll Weevil Eradication Fund (R.S. 3:1615) - All assessments, fees, penalties, and all other funds received shall be deposited immediately upon receipt into the state treasury and shall be credited to the state treasury. \$1,785,377 was appropriated in FY 08-09. There is a \$1,165,573 balance as of 2/5/09. Funds are used for the eradication of the boll weevil in Louisiana.

The Louisiana Agricultural Finance Authority (LAFA) (R.S. 3:261-284) -The authority was established to issue bonds to provide financing for agricultural loans through the purchase or guarantee of existing loans or negotiation of new loans and to supervise and use public employees, equipment, and material in carrying out public work. The bonds are limited special obligations of the authority and do not constitute a general, special, or moral obligation of the State of Louisiana. \$12,000,000 was appropriated in FY 08-09. There is a \$1,014,612 fund balance as of 2/5/09.



Department of Agriculture

SALARIES/ POSITIONS

- \$31 million for salaries and \$12.3 million for related benefits Total Salaries and Related Benefits = \$43.3 million or 50% of the total budget
- Average Salary for the Department = \$43,851
- 710 positions (667 classified and 43 unclassified)
- As of 3/1/09, the department had 25 vacancies
5 yr historical vacancy rate = 16 positions



Federal Stimulus Funds

The Department of Agriculture received \$16 million in funding from the America Recovery and Reinvestment Act of 2009. \$13 million replaces General Fund dollars. Another \$3 million is for wildfire suppression activities in the Forestry program.



Department of Agriculture

ISSUES

How will the Department of Agriculture address the \$58 million Louisiana Agricultural Finance Authority debt service?

The Department of Agriculture and Forestry would like to retire the Louisiana Agricultural Finance Authority's eligible outstanding debt of roughly \$60.4 million with state surplus funds. This action would allow the department to meet operating shortfalls in future fiscal years while minimizing any impact on the State General Fund.